LAW OFFICES OF DONALD B. MOONEY

DONALD B. MOONEY

[illegible]

September 9, 2009

VIA ELECTRONIC MAIL
AND REGULAR MAIL

David Mohlenbrok
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677-2720

Re: Town of Loomis' Comments on Draft Environmental Impact Report for the Sierra College Boulevard Widening Project

Dear Mr. Mohlenbrok:

The Town of Loomis submits the following comments on City of Rocklin's Draft Environmental Impact Report ("EIR") for the Rocklin Commons Project.

While the proposed Rocklin Commons Project is located within the City of Rocklin, this project, like many others in Rocklin and Placer County, is near or adjacent to Rocklin's boundary with Loomis. As a result of the Project's proximity to Loomis and access to the proposed Project, many of the Project's significant environmental impacts such as traffic, air quality, and urban decay fall upon Loomis and its residents. Loomis continues to bear the burden of the projects' impacts without having jurisdiction over the approval of the projects or receiving the benefits of the projects.

Loomis objects to the proposed project as the Draft EIR for the Rocklin Commons Project fails to meet the legal requirements as set forth in the California Environmental Quality Act ("CEQA"), Public Resources Code, section 21000 *et seq*.

A. <u>Traffic</u>

As with the numerous projects recently approved by Rocklin along or near Rocklin's boundary with the Town of Loomis, the Rocklin Commons project will result in cumulative traffic impacts to roadways and intersections within the Town of Loomis. To this end, the attached Memorandum dated September 8, 2009, identifies Loomis' concerns and comments regarding the Project's impacts to traffic. (Attachment A.)

The Draft EIR's cumulative impact analysis relies upon a standard of significance of less than 5 percent traffic increase to determine if the Project will have cumulative impacts to traffic. This threshold of significance, particularly to roads and intersections with an already unacceptable level of service is without basis, is not supported by substantial evidence.

A lead agency must find that a project may have a significant effect on the environment and must prepare an EIR if the project's potential environmental impacts, although individually limited, are cumulatively considerable. (Pub. Resources Code, § 21083(b); CEQA Guidelines, § 15065(c); see *San Bernardino Valley Audubon Society v. Metropolitan Water District* (1999) 71 Cal.App.4th 382, 398.) The Fifth District Court of Appeal has found that "[t]he relevant question to be addressed in the EIR is not the relative amount of precursors emitted by the project when compared with preexisting emissions, but whether *any additional amount of precursor emissions should be considered significant in light of the serious nature of the ozone problems in this air basin.*" (*Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 781, emphasis added.) The Fifth District concluded that the more severe the existing environmental problems are, the *lower the threshold for finding that a project's cumulative impacts are significant.* (*Id.*, emphasis added.) The Draft EIR fails to analyze this issue, and simply dismisses the potentially significant cumulative impacts to these roadway segments and intersections by stating that the percentage of impact is less than 5 percent. Additionally, it applies this same standard regardless of whether the LOS is D, E, or F. This contradicts the ruling in *Kings County* which stated that the more severe the existing environmental problems, the lower the threshold for finding a project's cumulative impacts are significant.

B. Urban Decay

While economic and social effects of projects are beyond CEQA's purview, "if the forecasted economic or social effects of a proposed project directly or indirectly will lead to adverse physical changes in the environment, then CEQA requires disclosure and analysis of these resulting physical impacts. (*Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1204-1205; *Friends of Davis v. City of Davis* (2000) 83 Cal.App.4th 1004, 1019; *Citizens for Quality Growth v. City of Mt. Shasta (1988)* 198 Cal. App. 3d 433, 445-446.) The CEQA Guidelines require that "Direct and indirect significant effects of the project on the environment shall be clearly identified and described, giving due consideration to both the short-term and long-term effects." (CEQA Guidelines, § 15126.2(a). Additionally, both primary (direct) and "reasonably foreseeable" secondary (indirect) consequences are considered in determining the significance of a project's environmental effect. (Guidelines, § 15064(d).) It is now well recognized that EIR's must evaluate whether a project will have a direct or indirect impact that would lead to urban decay. (*Bakersfield Citizens for Local Control v. City of Bakersfield, supra,* 124 Cal.App.4th at p. 1204-1205.)

Water contamination and air pollution, now recognized as very real environmental problems, initially were scoffed at as the alarmist ravings of environmental doomsayers. Similarly, experts are now warning about land use decisions that cause a chain reaction of store closures and long-term vacancies, ultimately destroying existing neighborhoods and leaving decaying shells in their wake. (*Id.* at p. 1204.)

Although proposed new shopping centers do not automatically trigger a conclusive presumption of urban decay, when evidence suggests that the economic and social effects caused by the proposed shopping center ultimately could result in urban decay or deterioration, then the lead agency is obligated to assess this indirect impact. (*Id.* at p. 1208.) CEQA's information disclosure requirements require that an EIR contain a meaningful consideration of whether the shopping centers could, individually or cumulatively, trigger a series of events that ultimately cause urban decay. (*Id.* at p. 1208.)

The attached memorandum from Applied Development Economics ("ADE") identifies several flaws in CBRE's urban decay analysis. (Attachment B.) Specifically, ADE's peer review analysis makes the following key points:

> CBRE overstates spending in the primary and secondary market areas in several ways.
>
> When estimating spending by consumers in the region, CBRE employs a per capita spending ratio that corresponds to persons in households with average incomes of $98,490 (Primary Market Area) or $97,560 (Secondary Market Area). CBRE should apply these ratios only to households and/or persons earning more than $100,000. For persons and households in other income brackets, CBRE should employ spending ratios appropriate to those brackets.
>
> In effect, CBRE is arguing that *everyone* in the PMA/SMA earns at least $97,560 *and* spends in a fashion similar to how persons in households earning almost $100,000 spend. While it is true that household incomes in the PMA and Placer County generally are higher than incomes elsewhere in the region and state, it is important to remember that not every person or household earns $97,560 or $98,490 and spends at levels commensurate to this income.
>
> CBRE identifies potential impacts of $8.5 million via its methodology on home furnishings and appliance stores but it does not specify within the market area as to how these impacts will be distributed, as required.
>
> ADE shows that there is no current and future leakage in the food store category, meaning that Loomis' Raley could shutter because of impacts stemming from the project. *At a minimum*, Raley's is projected to lose 9.5 percent of sales, according to ADE.
>
> Officials must consider the minimum 9.5 percent impact as *on top of any decline in sales* stemming from the prolonged downturn in the economy that is expected to continue well into 2010. As a reminder of difficulties experienced by food stores in the region, there are two large vacancies in the nearby area that were once occupied by grocery stores, namely Albertson's and Grocery Outlet. The former site has been vacant for several years.

> Raley's might not be able to recover from a potential loss of over $2 million in sales, as supermarkets are low-margin operations to begin with. In addition to job losses, the Town of Loomis would lose an estimated $133,000 a year in sales tax in the event Raley's closed. Local officials should keep a watchful eye on the situation, as the closure of a supermarket such as Raley's could lead to situation of urban decay.

C. The Draft EIR Fails To Adequately Address and Analyze the Project's Cumulative Impacts to Global Warming

The Draft EIR provides an overview of global warming and some of the County's activities to reduce greenhouse gas ("GHG") emissions, the Draft EIR actually fails to analyze the Project's contribution to GHG. Additionally, the Draft EIR's standard of significance fails to identify any standards of significance regarding GHG and global warming.

CEQA requires that "[e]ach public agency shall mitigate or avoid the significant effects on the environment of projects that it carries out or approves whenever it is feasible to do so." (Pub. Resources Code, § 21002.1(a); *see Citizens of Goleta Valley v. Board of Supervisors of Santa Barbara County* (1990) 52 Cal.3d 553, 564-65.) Under CEQA, global warming is an "effect on the environment" and a project's contribution to global warming can be significant or cumulatively considerable. CEQA requires that all phases of a project must be considered when evaluating the project's impacts on the environment. (CEQA Guidelines, § 15126.)

The Draft EIR concludes that there are no thresholds of significance to measure the Project's impacts regarding global warming. Thus, Rocklin simply dismisses any obligation to analyze the project's impacts to GHG. While Rocklin recognizes the Governor's Office of Planning and Research's June 19, 2008, Technical Advisory entitled *CEQA and Climate Change: Addressing Climate Change Through California Environmental Quality Act (CEQA) Review*, the Draft EIR fails to follow the advice and recommendations in the Technical Advisory, which is nothing more that a restatement of CEQA. In the Technical Advisory, OPR provides a recommended approach:

> Each public agency that is a lead agency for complying with CEQA needs to develop its own approach to performing a climate change analysis for projects that generate GHG emissions. A consistent approach should be applied for the analysis of all such projects, and the analysis must be based on best available information. For these projects, compliance with CEQA entails three basic steps: identify and quantify the GHG emissions; assess the significance of the impact on climate change; and if the impact is found to be significant, identify alternatives and/or mitigation measures that will reduce the impact below significance. (Technical Advisory at p. 5.)

The Technical Advisory also informs lead agencies must assess whether the emissions are individually or cumulatively significant. (*Id.*) Thus, the lead agency must consider the impact of the project when viewed in connection with the effects of past, current, and probable future projects. (*Id.*) In identifying GHG Emissions, OPR's Technical Advisory states:

> Lead agencies should make a good-faith effort, based on available information, to calculate, model, or estimate the amount of CO2 and other GHG emissions from a project, including the emissions associated with vehicular traffic, energy consumption, water usage and construction activities. (Technical Advisory at p. 5.)

As indicated in the Technical Advisory, CEQA requires the lead agency must also determine the threshold of significance for the project. (See *Id.* at p. 6.) It should be noted that the State Lands Commission recently stated in a draft Environmental Impact Report for the Venoco Ellwood Oil Development and Pipeline Project determined that a project would be considered having a significant impact if its GHG emissions have a net increase over the baseline. Because of the severity of the global warming problem as the result of cumulative GHG emissions worldwide, the State Lands Commission's Draft EIR concludes that the zero-threshold approach appears to be the most scientifically supportable of the options.[1]

The Draft EIR failed to establish a baseline or establish the threshold of significance. As such the Draft EIR fails to comply with the requirements of CEQA. OPR's Technical Advisory cautions lead agencies that GHG emissions should not be dismissed without substantial evidence to support the decision.

> Lead agencies should not dismiss a proposed project's direct and/or indirect climate change impacts without careful consideration, supported by substantial evidence. Documentation of available information and analysis should be provided for any project that may significantly contribute new GHG emissions, either individually or cumulatively, directly or indirectly (e.g. transportation impacts). (*Id.*)

In the present situation, Rocklin's analysis does in fact dismiss the project's GHG emission without any substantial evidence. The Draft EIR appears to rely a "qualitative" threshold approach instead of a quantitative approach. (See CEQA Guidelines section 15064.7.) The Draft EIR, however, fails to establish a significant threshold – either qualitative or

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[1] The State Lands Commission's Draft Environmental Impact Report is available on line at:

http://slc.ca.gov/Division_Pages/DEPM/DEPM_Programs_and_Reports/Venoco_Santa_Barbara/Venoco_Santa_Barbara.html

quantitative. The EIR clearly states that a quantified significance threshold is not used for the project. The Draft EIR argues that the basis for failing to establish a quantified significance threshold is that there exists no standardized methodology. Neither case law nor CEQA, however, indicate that there must be a statewide, or even region-wide, threshold of significance before an agency may include it in an EIR analysis. The absence of a statewide standard or methodology does not relieve Rocklin of its obligations under CEQA Guidelines, section 15064.7. CEQA does not provide standards or requirements for analyzing most pollutants, whether they are air pollutants, water pollutants, etc. That is why CEQA requires lead agencies to adopt thresholds of significance. (See CEQA Guidelines, § 15064.7(a).)

The Draft EIR relies upon a "comparison" approach to determine whether the Project is consistent with the Climate Action Team ("CAT") Report to the Governor, then any impact would be considered less than significant. The qualitative approach is generally used for a significance determination for matters such as odors and aesthetics. Determining significance and measuring impacts of GHG emissions is much different than evaluating impacts to odor and aesthetics. An agency cannot readily quantify odor or aesthetics, so a qualitative approach would be appropriate, as a determination of significance cannot be measured through a quantitative analysis. The view or odor is impacted based some qualitative value. Not so for GHG emissions or other pollutant that can be measured and evaluated.

The Draft EIR concludes that if the Project follows certain provisions of the CAT Report, then there would be no significant impact. It does not explain how this is a qualitative approach. Instead it is a "comparison approach" with no way to measure or evaluate the actual impacts. Moreover, the CAT Report deals with the measures to reduce GHG emissions for existing projects. The CAT Report provides strategies for emission reduction of existing GHG emissions. The project will result in additional GHG emissions. The quantity of the additional GHG emissions, may be lower due to following the recommendations of the CAT Report, but there will be an increasing in GHG emission. Thus, the Draft EIR's analysis contains a fundamental flaw in the GHG analysis. The project will result in an increase in GHG emissions, not a reduction. As a result, the public cannot measure or evaluate what will be the project's contribution to GHG emissions, only that it may be less than it otherwise would have been several years ago.

Sincerely,

Donald B. Mooney
Attorney for Town of Loomis

cc: Perry Beck

MEMORANDUM

TO: David Mohlenbeck, City of Rocklin

From: Perry Beck, Town Manager
Brian Fragiao, Town Engineer

Date: September 8, 2009

Re: Comments on Draft Environmental Impact Report for Rocklin Commons Project

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We have reviewed the Draft Environmental Impact Report (DEIR) on the proposed Rocklin Commons commercial project to be built on Granite Drive at Sierra College Blvd. Following are issues that Loomis continues to have with this project:

TRANSPORTATION AND CIRCULATION: the lanes on Sierra College Blvd from I-80 to Taylor Road should be 6 lanes. Top bullet Pg 4-114 indicates 6 lanes to the "south of Taylor Road." The 6 lanes should run to the railroad tracks and for the cumulative solution, continue to Bankhead Road approximately 1/4th mile past the railroad tracks. On page 4-115 (top paragraph) it is noted that improvements are dependent on money being available. Money should be identified before the project is approved, especially since this project is one of many cumulative projects (see pg 6-5 Table 6.1) in Rocklin along the Sierra College Blvd corridor from Rocklin Road to Clover Valley Parkway. On Pg 4-123 under existing level there is no mention made that Loomis traffic is composed mainly of traffic generated outside of Loomis (Fehr & Peer report for Loomis General Plan 1998) and Loomis would suggest mainly from Rocklin due to impacts from cumulative Rocklin projects (see Pg 6-5 for listing).

The transportation and circulation review is deficient because the cumulative effects are still not being considered and so Rocklin City or Rocklin developers are not mitigating the effects that Rocklin development is causing in Loomis. That Rocklin is having an effect in Loomis is not really subject to dispute, for instance consider the population growth in the respective jurisdictions:

POPULATION CHANGES (California Department of Finance)

	2000	growth	2003	growth	2006	growth	2009	overall growth
Rocklin	36,330	27%	46,153	11%	51,241	7%	54,754	51%
Loomis	6,260	2%	6,364	2%	6,522	2%	6,677	7%
Difference	30,070		39,789		44,719		48,077	

Rocklin traffic is obviously growing and has been, and will be, impacting Loomis. This is dismissed on Pg 4-129 (bottom paragraph) where it is noted that Rocklin does not subscribe to the notion of cumulative effects. Thus every project Rocklin evaluates, including Rocklin Commons, falls below a 5% impact threshold that Rocklin determines as having zero or limited environmental effects or Rocklin simply leaves mitigation of the effects to Loomis but wants Loomis to mitigate in a manner specified by Rocklin. Rocklin does this while failing to acknowledge that it is the growth of Rocklin over the past 10 years, equivalent of 3 entire Towns of Loomis, has had any effect on Loomis. This refusal to look critically at cumulative effects leads to bizarre conclusions like the idea that the Sierra College Blvd / Taylor Rd intersection is presently at LOS C in AM peak hour and LOS D in PM peak hour or that Horseshoe Bar Road/Taylor Rd intersection is presently LOS E in AM peak and LOS F in PM peak.(pg 4-125) without any further analysis as to why that may be the case today. It certainly wasn't like that 10 years ago as noted in the following chart:

LOS CHANGES AT KEY LOOMIS INTERSECTIONS BETWEEN 1998 AND 2008
(1998 findings from Fehr & Peer traffic circulation study for Loomis General Plan)

			Pgs 4-125 & 126 EXISTING 2008 LOS		Pgs. 4.149 & 150 EXISTING PLUS APPROVED PROJEC	
	1998 LOS AM	PM	AM	PM	AM	PM
Sierra College Blvd / Taylor Rd	C	C	C	D	D	F
Sierra College Blvd / Brace Rd	n/a	n/a	A	B	B	D
Horseshoe Bar Rd / Taylor Rd	C	B	E	F	D	E
Barton Rd / Brace Rd	n/a	n/a	C	C	C	C
Barton Rd / Rocklin Rd	n/a	n/a	C	B	C	B
Sierra College Blvd / King Rd	A	A	A	A	A	C
Taylor Rd / King Rd	D	C	C	C	C	C

Note: Taylor / King was not signalized in 1998
Existing plus approved projects includes Rocklin Commons and other Rocklin projects

Another way to look at the cumulative effects of traffic impacts is the Volume to Capacity Ratio (V/C Ratio).

VOLUME TO CAPACITY RATIO (V/C RATIO)
(ratio of 1.0 means road at capacity, <than 1.0 is better and > than 1.0 is worse)

	1998 V/C RATIO	Pg 4-127 EXISTING 2008 V/C RATIO	Pg 4-151 EXISTING PLUS APPROVED PROJEC
Sierra College Blvd: Taylor Rd to I-80	0.54	1.17	1.57
Sierra College Blvd: King Rd to Taylor Rd	0.32	0.70	0.97
Horseshoe Bar Rd: I-80 to Brace	0.23	0.41	0.41
Barton Rd: Rocklin Rd to Brace Rd	0.07	0.22	0.24
Rocklin Rd: Sierra College to Barton Rd	0.20	0.35	0.46
Taylor Rd: King Rd to Horseshoe Bar Rd	0.92	1.14	1.23
Taylor Rd: Horseshoe Bar Rd to Sierra Co	0.70	0.71	0.80

Note: Sierra College (King to Taylor) is an average of two segments in 1998 study

The point is that Rocklin Commons, along with all the other Rocklin projects noted on Pg 6-5 Table 6.1, are having a deleterious affect on Loomis streets and the City of Rocklin and their developers should pay their share of Loomis road and other mitigations. It is instructive to note that 43% of the listed streets having "unsatisfactory LOS" are in Loomis Pg 4-153 and that of the 8 streets that will exceed their capacity (V/C ratio) 50% are in Loomis and if the portion of Sierra College Blvd from Taylor to I-80 that is in Loomis is added, the streets exceeding capacity in Loomis rise beyond 50% Pg 4-154. Since Loomis doesn't have but one project on Sierra College Blvd (Homewood Lumber Relocation) can there be any doubt that Rocklin development is impacting Loomis streets? Even by the findings of the Rocklin Commons DEIR?

TRAFFIC MITIGATION PROVISIONS: beginning at Pg 4-161 the DEIR identifies mitigation measures for various traffic impacts. Mitigation measures TC-2 Pg 4-162, TC-3 Pg 4-163, TC-4 Pg 4-163, TC-6 Pg 4-165 indicate that "In order to implement this measure, the project applicant shall attempt, in good faith, to enter into an agreement with the Town of Loomis by which the applicant either shall be responsible for constructing the improvements at issue or shall provide to the Town of Loomis with funding in an amount equal to the agreed upon estimated cost of the improvements." This does not appear to be a defined mitigation measure as called for in CEQA. It is refreshing to find that the Rocklin Commons DEIR acknowledges that the Rocklin Commons has a responsibility to mitigate its share of the affects on Loomis, however the remedy for the affect has not been agreed on by Loomis and the remedy that is needed is one that will address all the impacts of all the projects (see Pg 6-5 Table 1 for a list of projects). Rocklin should not be approving any projects until that is determined

On Page 4-168 the DEIR discusses the impacts of traffic mitigation measures and makes the point that "...an EIR's discussion of traffic mitigation is adequate if it explains how the fee program will address the impact. (Save Our Peninsula Committee, 87 Cal,App.4th at p. 141.) This doesn't really get to what the mitigation is, who has agreed that the

mitigation is satisfactory (painting lines on streets in Loomis, Pg 4-162 Mitigation Measure TC-2 is not acceptable) and what the agreed upon cost is so a fee can be established and spread among projects. Loomis believes that Rocklin needs to require real mitigations in Loomis. Further that the Loomis mitigations need to be built or paid for by Rocklin Commons and the other Rocklin developers along the Sierra College Blvd corridor and in other Loomis areas according to mitigation measures specified by Loomis (*Woodward Park Homeowners Association, Inc. v. City of Fresno* (2007) 150 Cal.App[.4th 683, 58 Cal.Rptr.3d 102.) Loomis further believes that if the Rocklin developers do not pay, then the City of Rocklin should pay to mitigate the traffic problems that its development policies are causing in Loomis (*City of Marina et al. v. Board of Trustees of the California State University* (2006) 39 Cal.4th 341, 46 Cal.Rptr.3d 355.)

CUMULATIVE IMPACTS: beginning at PG 6-52 the DEIR discusses cumulative transportation and circulation impacts.

- Pg 6-52 bottom paragraph reference is made to "anticipated fee programs". Loomis would request what those fee programs are and how much Loomis is expected to receive for mitigations in Loomis. Base that information Loomis cannot tell if the fees will pay for the mitigations that Loomis will require.

- Pg 6-53 Paragraph 1 Rocklin Whitney Ranch project (1,427 homes) is mentioned as a recently approved project but is not mentioned on page 6-5 Table 6-1 as one of the cumulative projects or a project for air quality analysis.

- Pg 6-62 notes in one list that 7 of 11 streets that will operate at an unsatisfactory LOS in 2025 are in Loomis; and in another list that 3 of 5 streets that will not operate within their daily roadway capacities are in Loomis. The question is what cumulative mitigation plan is going to keep this from happening? That question is not answered in the Rocklin Commons DEIR.

- Pg 6-63 notes in one list that 3 of 5 intersections that will operate at unsatisfactory LOS are in Loomis; and in another list that 3 of 5 road segments that will operate with unsatisfactory LOS are in Loomis. The question is what cumulative mitigation plan is going to keep this happening? That question is not answered in the Rocklin Commons DEIR.

- Pg 6-74 notes in CI-5 that Rocklin has no way to ensure that Loomis will cooperate with the applicant to paint Loomis streets as a mitigation measure so as to render a road impact as less than significant. So Rocklin concludes that the impact is significant and unavoidable. This is not true. If Rocklin does a mitigation approved by Loomis then the impact can be mitigated to a less than significant level. Neither Rocklin nor the applicant has met with Loomis to develop a suitable mitigation and cost. This continues for CI-6 Pgs 6-74 and 6-75; CI-9 Pgs 6-95 and 6-96; CI-11 Pgs 6-96 & 6-97; and CI-12 Pgs 6-97 & 6-98

- Pg 6-75 Mitigation Measure CI-6 notes that the applicant will pay its fair share to signalize the intersection of Rocklin Road and Barton. This is a project identified in the Loomis General Plan (Pg 91 Figure 4-5). The measure goes on to say that Rocklin is hopeful, though not certain, that Loomis will agree to install the improvements. Loomis wouldn't know what to agree to because Loomis and Rocklin do not have a global solution to the issues of traffic impacts that the Rocklin developments are having in Loomis and the cost thereof. Loomis can agree to a mitigation measure if it agrees to what the measure is and knows where all the money will come from, not just some of the money that might, for instance, come from Rocklin Commons. If Loomis were to depend on only some amount of money from Rocklin Commons, the DEIR does not indicate how much or when it is to be paid, then there may never be enough money to do the necessary improvement and the impact would never be mitigated. This would circumvent the requirements of CEQA.

In conclusion the Town requests that Rocklin not approve the Rocklin Commons DEIR until Rocklin and Loomis officials develop a comprehensive solution to the traffic and other impacts that developers in Rocklin are causing in Loomis.

APPLIED
DEVELOPMENT
ECONOMICS

MEMO

TO: Perry Beck, City Manager

FROM: Tony Daysog, Senior Associate, ADE

DATE: September 8, 2009

RE: Loomis Peer Review: Rocklin Commons

KEY POINT

- CBRE overstates spending in the primary and secondary market areas in several ways.
- When estimating spending by consumers in the region, CBRE employs a per capita spending ratio that corresponds to persons in households with average incomes of $98,490 (Primary Market Area) or $97,560 (Secondary Market Area). CBRE should apply these ratios only to households and/or persons earning more than $100,000. For persons and households in other income brackets, CBRE should employ spending ratios appropriate to those brackets.
- In effect, CBRE is arguing that *everyone* in the PMA/SMA earns at least $97,560 *and* spends in a fashion similar to how persons in households earning almost $100,000 spend. While it is true that household incomes in the PMA and Placer County generally are higher than incomes elsewhere in the region and state, it is important to remember that not every person or household earns $97,560 or $98,490 and spends at levels commensurate to this income.
- CBRE identifies potential impacts of $8.5 million via its methodology on home furnishings and appliance stores but it does not specify within the market area as to how these impacts will be distributed, as required.
- ADE shows that there is no current and future leakage in the food store category, meaning that Loomis' Raley could shutter because of impacts stemming from the project. *At a minimum*, Raley's is projected to lose 9.5 percent of sales, according to ADE.
- Officials must consider the minimum 9.5 percent impact as *on top of any decline in sales* stemming from the prolonged downturn in the economy that is expected to continue well into 2010. As a reminder of difficulties experienced by food stores in the region, there are two large vacancies in the nearby area that were once occupied by grocery stores, namely Albertson's and Grocery Outlet. The former site has been vacant for several years.
- Raley's might not be able to recover from a potential loss of over $2 million in sales, as supermarkets are low-margin operations to begin with. In addition to job losses,

the Town of Loomis would lose an estimated $133,000 a year in sales tax in the event Raley's closed. Local officials should keep a watchful eye on the situation, as the closure of a supermarket such as Raley's could lead to situation of urban decay.

INTRODUCTION

The Town of Loomis is concerned about a regional shopping center that the nearby City of Rocklin is considering, called Rocklin Commons. Loomis officials need to understand what fiscal and economic impacts, if any, this project will have on Loomis. In particular, officials need to know if impacts stemming from Rocklin Commons could trigger urban decay in the Town of Loomis. As important, officials need to understand if the economic analysis prepared by CBRE for the Rocklin Crossing's adequately treats the question of urban decay, particularly as this relates to Loomis. On behalf of the Town of Loomis, ADE reviewed CBRE's Rocklin Commons urban decay impact analysis to determine if CBRE understates impacts to existing businesses, particularly those in Loomis.

The outline below addresses the substantive issues that ADE analyzed with respect to CBRE's Rocklin Commons economic analysis. Before we begin the discussion below, we first review broad demographic trends in the CBRE report, as these trends are also the basis of ADE's analysis.

1. Overview of demographic trends and projections
2. Analyze methodology employed by CBRE is estimating consumer household demand / Discuss drawbacks to "per capita" approach
3. Run ADE Retail Model to calculate household demand
4. Compare ADE and CBRE leakage/urban decay impact analyses

SECTION 1. OVERVIEW OF DEMOGRAPHIC TRENDS AND PROJECTIONS

As indicated in Table 1 below, there were approximately 57,742 people in 2006 in the primary market area (PMA) consisting of the Town of Loomis and the City of Rocklin. In the secondary market area (SMA) consisting of Auburn and unincorporated parts of Placer County to the east of the PMA and around Auburn, there were 61,533 people in 2006. In all, the PMA/SMA comprised of 119,275 people.

TABLE 1
EXISTING CONDITION AND PROJECTIONS, 2006-2018: POPULATION TRENDS: CBRE

Population	2006	2013	2018	06-13	13-18	06-13	13-18
Rocklin	50,789	54,717	57,708	3,928	2,991	1.1%	0.8%
Loomis	6,953	7,491	7,901	538	410	1.1%	0.8%
Primary Market Area Sub-Total	*57,742*	*62,208*	*65,609*	*4,466*	*3,401*	*1.1%*	*0.8%*
Auburn	13,942	14,891	15,537	949	646	0.9%	0.6%
Unincorporated Areas	47,591	49,787	51,911	2,196	2,124	0.6%	0.6%
Secondary Market Area Sub-Total	*61,533*	*64,678*	*67,448*	*3,145*	*2,770*	*0.7%*	*0.6%*
Total	**119,275**	**126,886**	**133,057**	**7,611**	**6,171**	**0.9%**	**0.7%**

Source: CBRE, "Chapter 5.0 Economic and Urban Decay", Exhibit 6

Between 2006 and 2013, the PMA will grow by approximately 0.9 percent per year, from 119,275 to 126,886. The PMA will grow annually by 1.1 percent, whereas the SMA will grow slower at 0.7 percent per year. Data in the table below come directly from the report prepared by CBRE.

We include the above table because it serves as the basis of ADE's analysis. Whereas CBRE's consumer spending analysis is based on per capita spending, ADE's consumer spending analysis is based on spending by households. Thus, ADE translates the number of persons in Table 1 into households in Table 2 below. There are approximately 45,545 in the PMA/SMA region, of which 22,188 reside in the PMA and 23,357 in the SMA. The region will grow by over 3,000 households between 2006 and 2013, from 45,545 to 48,367, for a 0.9 percent per year growth rate.

TABLE 2
EXISTING CONDITION AND PROJECTIONS, 2006-2018: HOUSEHOLD TRENDS: BASED ON CBRE POPULATION

Households	2006	2013	2018	06-13	13-18	06-13	13-18
Rocklin	19,854	21,326	22,443	1,472	1,118	1.0%	0.7%
Loomis	2,334	2,524	2,669	190	145	1.1%	0.8%
Primary Market Area Sub-Total	*22,188*	*23,850*	*25,112*	*1,662*	*1,263*	*1.0%*	*0.7%*
Auburn	6,192	6,561	6,837	369	277	0.8%	0.6%
Unincorporated Areas	17,165	17,957	18,723	792	766	0.6%	0.6%
Secondary Market Area Sub-Total	*23,357*	*24,518*	*25,560*	*1,161*	*1,043*	*0.7%*	*0.6%*
Total	**45,545**	**48,367**	**50,673**	**2,822**	**2,306**	**0.9%**	**0.7%**

Source: ADE, Inc., based on CBRE, "Chapter 5.0 Economic and Urban Decay", Exhibit 6 (population), US Census 2000 SF1 P1 and P15 (2000 households), and SACOG-CBRE annual population growth 2005-2035

SECTION 2. CBRE'S METHODOLOGY FOR ESTIMATING CONSUMER HOUSEHOLD DEMAND/SPENDING

The CBRE employs a per capita approach to estimate consumer spending in the PMA and SMA. The per capita ratio is based on retail sales in a comparison area consisting of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties. Retail sales for these counties

come from California Board of Equalization (BOE).[1] CBRE calculates the per capita ratio by placing BOE sales data in the numerator and, in the denominator, the population of the comparison area. Per capita figures are calculated for each store type. The store type per capita figure is then multiplied against the total number of persons in the PMA and/or SMA. It is important to note that Sacramento, El Dorado, and Placer Counties are all situated on major thoroughfares on which tourists travel year-around to get from all parts of California (particularly the San Francisco Bay Area) to Lake Tahoe. The increased visitor spending in these areas tends to inflate retail spending. Thus, the per-capita figure employed by CBRE represents spending not just by persons living in the PMA/SMA. In using the per capita approach, CBRE risks over-stating spending unless visitor-spending is somehow controlled.

Consumer spending in the PMA/SMA is in the table below. Data in columns "a" and "b" come from CBRE's report. By dividing these two columns, we generate the figures in column "c", which in each case (more or less) equates to the total number of persons in the PMA, or roughly 57,742, an exercise that confirms that CBRE employs the per capita approach.

TABLE 3
EXISTING CONDITIONS: CBRE'S PRIMARY AND SECONDARY MARKET HOUSEHOLD SPENDING, 2006-2013-2018

	[a] PMA Aggregate Spending	[c] PMA Per Capita Spending Ratio Based on Spending Habits of $98,490 Household Income	[c] Number of Persons: Check	[d] SMA Aggregate Spending	[e] PMA Per Capita Spending Ratio Based on Spending Habits of $97,560 Household Income	[f] Number of Persons: Check
Apparel Stores	$32,272,061	$559	57,732	$34,174,132	$555	61,575
General Merchandise Stores	$136,667,988	$2,367	57,739	$144,685,851	$2,351	61,542
Food Stores	$166,106,542	$2,877	57,736	$176,432,906	$2,867	61,539
Eating and drinking places	$95,259,785	$1,650	57,733	$100,795,432	$1,638	61,536
Home furnishings and appliances	$37,290,007	$646	57,724	$39,489,470	$642	61,510
Bldg. materials and farm implements	$101,151,087	$1,752	57,735	$106,951,045	$1,738	61,537
Auto dealers and auto supplies	$174,751,855	$3,026	57,750	$184,870,834	$3,004	61,542
Service stations	$88,774,503	$1,537	57,758	$94,005,599	$1,528	61,522
Other retail stores	$140,037,091	$2,425	57,747	$148,512,660	$2,414	61,521
Total	**$972,310,919**	**$16,839**	**57,742**	**$1,029,917,929**	**$16,738**	**61,532**

Source: CBRE, "Chapter 5.0 Economic and Urban Decay", Exhibit 11 and 13

It is important to note that CBRE's store type per capita spending ratio corresponds to persons in households with average incomes of $98,490 (PMA) or $97,560 (SMA). In effect, CBRE is arguing that *everyone* in the PMA/SMA earns at least $97,560 *and* spends in a fashion similar to how persons in households earning almost $100,000 spend. While it is

[1]CBRE, "Chapter 5.0 Economic and Urban Decay", Section IV, page 13

true that (per the US Census) household incomes in the PMA and Placer County are higher generally than incomes elsewhere in the region and state, not every person or household earns at least $97,560 and/or spends at levels commensurate to this income.[2]

In addition to potentially overstating spending by consumers in the region, another drawback in the use of the per capita figure is that it does not take into account changes in the demographic composition of persons and households in the region, and how this composition changes over time. Nationally and across California, a major issue involves aging of the so-called "baby boomer" generation. The per capita model employed by CBRE does not capture this trend. As more adults enter retirement age in historic proportions, demand for certain goods will decline and advance for others. As it is, every year, the United States Bureau of Labor Statistics ("US BLS") surveys over 100,000 persons to gain insights on inflation and spending trends, and one of the key findings from analyses of these surveys is that spending differs by income, age, and ethnicity, among other variables. Young adults spend their money on different items than senior citizens. Higher income people have more discretionary income to afford and purchase many more items relative to lower-income households, who focus their spending on day-to-day staples.

Section 3. ADE Retail Analysis

Basing its analysis on consumer household spending data issued by US BLS, Applied Development Economics ("ADE") presents a more robust methodology for estimating spending in over fifty specific retail and services store types. ADE utilizes US BLS data in several ways. First, ADE takes data directly from US BLS reports. Second, using US BLS dataset, ADE distinguishes spending by broad ethnic categories of "Not Latino" and "Latino" households, so as to develop spending estimates that better reflect the demographic profile of areas and regions whose spending we are estimating. Moreover, ADE isolates on spending by age of householders. Table 4 organizes household in region income and age. Our analysis also organizes the baseline dataset by the two broad ethnic categories, which we did not include in the table below because of space limitation. We also take into account changing composition of households by age over time, factoring in death rates and age/income of new-comer households into the market area.

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[2]In fact, these averages might not be the right ones to use to begin with. Appendix A identifies household incomes per the US Census. Census 2000 income figures are adjusted for inflation, so as to compare 2000 Census data with 2006 Census data from the American Community Survey (ACS). According to US Census ACS 2006, the average household income in Placer County is $89,295. The average for Roseville is $86,473, whereas average income for Placer County outside of Roseville is $90,813. The US Census ACS has not issued 2006 data for Loomis and or Rocklin. For purposes of analysis, we insert (in italics in Appendix A) the $98,490 figure used by CBRE in Appendix A. For $98,490 to be correct, average household income would have brown by 1.78 percent annually between 2000 and 2006. Yet, actual data from the Census 2000 and ACS 2006 shows income growing annually at 0.10 percent, 0.43 percent and 0.41 percent for the County, Roseville, and County-less-Roseville between 2000 and 2006, suggesting that the $98,490 figure for the PMA is too high.

TABLE 4
PRIMARY AND SECONDARY MARKET HOUSEHOLDS BY AGE OF HOUSEHOLDER AND HOUSEHOLD INCOME: 2006-2013-2018

	Total Market 2006					Total Market 2013					Total Market 2018				
	1,891	6,451	29,069	8,133	45,545	2,422	4,304	31,120	10,521	48,367	1,653	3,738	33,967	11,315	50,673
	Primary Market Area, 2006					Primary Market Area, 2013					Primary Market Area, 2018				
	<25	25-34	35-64	>65	Primary 2006 Total	<25	25-34	35-64	>65	Primary 2013 Total	<25	25-34	35-64	>65	Primary 2018 Total
Less than $10,000	65	38	294	117	514	80	17	313	149	560	57	9	318	215	600
$10,000 to $14,999	84	45	229	314	671	106	22	228	453	809	67	12	220	494	794
$15,000 to $19,999	98	33	198	273	601	114	18	191	373	696	59	10	198	414	681
$20,000 to $24,999	93	96	332	241	761	107	49	336	338	830	43	28	326	356	753
$25,000 to $29,999	54	86	292	223	655	56	43	284	291	675	21	24	272	311	627
$30,000 to $34,999	87	63	306	200	656	96	31	297	271	695	37	38	305	310	691
$35,000 to $39,999	59	188	333	232	812	66	111	344	327	849	36	67	340	332	775
$40,000 to $44,999	96	164	268	143	671	112	77	264	185	639	70	43	255	203	572
$45,000 to $49,999	93	115	312	127	647	121	56	303	178	658	95	31	291	226	642
$50,000 to $59,999	101	226	791	268	1,385	133	111	764	376	1,385	101	61	732	440	1,334
$60,000 to $74,999	120	342	1,248	299	2,009	150	170	1,216	430	1,966	86	245	1,473	633	2,438
$75,000 to $99,999	56	802	2,581	636	4,076	70	552	2,829	973	4,424	34	494	3,177	1,045	4,750
$100,000 to $124,999	3	742	2,378	208	3,331	3	536	2,673	307	3,520	27	431	2,937	330	3,724
$125,000 to $149,999	72	469	1,411	78	2,029	100	342	1,630	115	2,187	63	243	1,844	130	2,280
$150,000 to $199,999	0	185	1,019	89	1,293	0	129	1,182	123	1,434	29	156	1,639	157	1,981
$200,000 or more	80	247	1,612	137	2,076	111	202	2,006	204	2,524	70	124	2,068	207	2,469
PMA Sub-Tot	***1,162***	***3,840***	***13,602***	***3,584***	***22,188***	***1,425***	***2,467***	***14,862***	***5,096***	***23,850***	***895***	***2,018***	***16,395***	***5,804***	***25,112***
	Secondary Market Area, 2006					Secondary Market Area, 2013					Secondary Market Area, 2018				
	<25	25-34	35-64	>65	Secondary 2006 Total	<25	25-34	35-64	>65	Secondary 2013 Total	<25	25-34	35-64	>65	Secondary 2018 Total
Less than $10,000	65	35	487	308	895	83	17	491	317	908	56	10	486	338	889
$10,000 to $14,999	58	81	362	498	1,000	80	44	351	573	1,048	58	27	337	540	962
$15,000 to $19,999	60	50	452	340	901	77	26	442	404	948	48	15	442	402	907
$20,000 to $24,999	88	120	396	285	890	108	67	394	347	916	42	44	382	330	797
$25,000 to $29,999	81	160	526	342	1,108	89	87	512	386	1,074	30	50	494	367	941
$30,000 to $34,999	77	141	547	255	1,020	91	76	538	300	1,004	36	66	543	308	954
$35,000 to $39,999	39	155	546	284	1,024	46	98	546	352	1,042	31	63	532	323	949
$40,000 to $44,999	53	193	528	269	1,044	69	102	515	293	980	59	60	497	277	892
$45,000 to $49,999	52	221	499	258	1,030	78	118	481	297	974	81	69	460	311	920
$50,000 to $59,999	35	241	1,067	334	1,677	63	123	1,026	398	1,610	79	70	982	416	1,547
$60,000 to $74,999	26	301	1,767	394	2,487	50	156	1,694	461	2,361	57	242	1,921	605	2,825
$75,000 to $99,999	36	353	2,505	425	3,319	50	314	2,668	603	3,635	27	372	2,987	605	3,990
$100,000 to $124,999	25	214	1,923	243	2,405	27	248	2,157	301	2,733	33	276	2,412	288	3,009
$125,000 to $149,999	17	131	1,104	119	1,372	40	158	1,274	141	1,613	43	144	1,474	139	1,800
$150,000 to $199,999	4	96	1,171	90	1,360	4	77	1,283	111	1,475	30	128	1,712	136	2,006
$200,000 or more	15	119	1,586	104	1,824	41	127	1,887	141	2,197	47	86	1,909	129	2,172
SMA Sub-Totals	***729***	***2,611***	***15,467***	***4,549***	***23,357***	***997***	***1,837***	***16,258***	***5,425***	***24,518***	***758***	***1,720***	***17,572***	***5,511***	***25,560***

Source: ADE, Inc., based on US Census 2000 SF3 P55 and PCT72H (baseline distribution of households by income and age); US Census American Community Census 2006 B19037 (distribution of new households between 2000-2006 by income and age); California Statistical Abstract, Table E-2 (annual deaths by age); CBRE (population and households PMA/SMA: 2000, 2006, 2013, and 2018); US Bureau of Labor Statistics (annual inflation 1999-2006).

Table 5 summarizes data in Table 4, particularly with respect to how the total number of households according to age brackets changes over time. As demonstrated in the table, households older than 65 represent 8,133 out of a total of 45,545 households right now, or 17.8 percent. By 2013 and 2018, these households will represent 21.7 and 22.3 percent of the total, or 10,521 out of 48,367 and 11,315 out of 50,673. Demographic shifts such as aging of the population have ramification with respect to amount of spending in the future, and because CBRE does not take into account these shifts, it further risks over-stating current and future consumer spending.

TABLE 5
SUMMARY OF CHANGE IN HOUSEHOLDS, 2003-2018 BY AGE OF HOUSEHOLDERS

	<25	25-34	35-64	>65	Total
Annual P 2013-2018 Percentage Change	-5.3%	-2.0%	1.3%	1.0%	0.7%
Change, 2013-2018	-769	-566	2,846	795	2,306
Annual P 2006-2013 Percentage Change	3.6%	-5.6%	1.0%	3.7%	0.9%
Change, 2006-2013	531	-2,147	2,051	2,388	2,822
2018	1,653	3,738	33,967	11,315	50,673
2013	2,422	4,304	31,120	10,521	48,367
2006	1,891	6,451	29,069	8,133	45,545

Source: ADE, Inc.

SECTION 4. COMPARISON OF ADE/CBRE SALES LEAKAGE AND URBAN DECAY IMPACTS ANALYSES

ADE places total household spending in the PMA and SMA at $1,105,978,636 in 2006 (see Table 6). Because CBRE conducts its impact analysis using 2013 dollars, we translate Table 6 in year 2006 dollars to year 2013 dollars in Table 7. Thus, $1,105,978,636 in 2006 dollars is equivalent to $1,470,770,178 in year 2013 dollars. According to CBRE, total PMA/SMA spending amounts to $2,626,811,405 (2013 dollars).

TABLE 6
EXISTING CONDITIONS: PRIMARY AND SECONDARY MARKET HOUSEHOLD SPENDING, 2006: ADE VS. CBRE

	PMA Aggregate Spending, ADE	SMA Aggregate Spending, ADE	Total Aggregate Household Spending, ADE: 2006	PMA Aggregate Spending, CBRE	SMA Aggregate Spending, CBRE	Total Aggregate Household Spending, CBRE: 2006
Apparel Stores	$24,703,918	$23,091,135	$47,795,053	$32,272,061	$34,174,132	$66,446,193
General Merchandise Stores	$93,292,932	$92,084,542	$185,377,474	$136,667,988	$144,685,851	$281,353,839
Food Stores	$100,969,238	$101,375,988	$202,345,226	$166,106,542	$176,432,906	$342,539,448
Eating and drinking places	$62,095,775	$58,826,237	$120,922,011	$95,259,785	$100,795,432	$196,055,217
Home furnishings and appliances	$24,022,629	$23,192,909	$47,215,538	$37,290,007	$39,489,470	$76,779,477
Bldg. materials and farm implements	$27,427,117	$27,154,080	$54,581,198	$101,151,087	$106,951,045	$208,102,132
Auto dealers and auto supplies	$121,144,375	$112,112,941	$233,257,316	$174,751,855	$184,870,834	$359,622,689
Service stations	$63,817,931	$61,623,555	$125,441,486	$88,774,503	$94,005,599	$182,780,102
Other retail stores	$44,894,454	$44,148,880	$89,043,334	$140,037,091	$148,512,660	$288,549,751
Total	**$562,368,368**	**$543,610,268**	**$1,105,978,636**	**$972,310,919**	**$1,029,917,929**	**$2,002,228,848**

Source: ADE, Inc., based US BLS, households distributed per Table 7, and CBRE (Exhibits 11 and 13)

TABLE 7
FUTURE PROJECTIONS: PRIMARY AND SECONDARY MARKET HOUSEHOLD SPENDING, 2013: ADE VS. CBRE ($2013)

	PMA Aggregate Spending, ADE	SMA Aggregate Spending, ADE	Total Aggregate Household Spending, ADE: 2013	PMA Aggregate Spending, CBRE	SMA Aggregate Spending, CBRE	Total Aggregate Household Spending, CBRE: 2013
Apparel Stores	$32,731,350	$30,595,008	$63,326,358	$42,874,832	$44,297,700	$87,172,532
General Merchandise Stores	$125,608,917	$121,928,483	$247,537,400	$181,574,975	$187,546,839	$369,121,814
Food Stores	$135,563,906	$133,577,996	$269,141,903	$220,686,583	$228,698,476	$449,385,059
Eating and drinking places	$81,703,103	$77,364,937	$159,068,040	$126,560,677	$130,654,549	$257,215,226
Home furnishings and appliances	$32,490,104	$30,869,834	$63,359,938	$49,542,926	$51,187,626	$100,730,552
Bldg. materials and farm implements	$36,948,513	$35,968,804	$72,917,317	$134,387,770	$138,633,669	$273,021,439
Auto dealers and auto supplies	$162,132,721	$149,928,959	$312,061,680	$232,172,612	$239,636,013	$471,808,625
Service stations	$84,466,916	$80,914,769	$165,381,685	$117,944,432	$121,853,331	$239,797,763
Other retail stores	$59,852,980	$58,122,877	$117,975,857	$186,051,113	$192,507,282	$378,558,395
Total	**$751,498,512**	**$719,271,666**	**$1,470,770,178**	**$1,291,795,920**	**$1,335,015,485**	**$2,626,811,405**

Source: ADE, Inc., based US BLS and CBRE

One way to test whether CBRE's estimates are too high is by dividing its "food store" spending of $449,385,059 by the total number of households in the PMA/SMA and by 52 weeks, which results in $189 per household per week. ADE's $269,141,903 "food store" spending amounts to $114 a week per household. In contrast, the average household on the West Coast spends $91 a week on groceries, according to US BLS web-site.[3] Across the United States, the US BLS reports that households earning at least $100,000 spend $123 a week on food, and those earning more than $150,000 spend on average $137 a week.[4] This test shows that CBRE's per capita model over-states food store spending relative to the US BLS and ADE, and implies that the same holds true for most other retail categories. The important point to remember is that, in over-stating spending, CBRE runs the risk of over-estimating leakage, particularly in the food store category, and understating impacts to existing food stores.

In the tables below, we compare leakage analysis. We use the sales data generated by CBRE and compare our respective household spending figures, to estimate leakage by retail store types. In total, our analysis in Table 8 shows $226,182,319 in leakage in year 2006 dollars. In stark contrast, CBRE shows $789,999,041 in leakage. While both show leakage in general merchandise category, CBRE's amount is twice that of ADE's, at $215,829,639 versus $119,853,274. More importantly, we do not show any leakage in the food store category, whereas CBRE reports $40,810,562 in leakage.

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[3] http://www.bls.gov/cex/2007/Standard/region.pdf (food store spending = food at home, laundry/cleaning supplies, other household products, drugs @50%)
[4] http://www.bls.gov/cex/2006/Standard/higherincome.pdf

TABLE 8
EXISTING CONDITIONS: RETAIL SALES LEAKAGE 2006 ($2006): COMPARISON OF ADE AND CBRE FINDINGS

	ADE PMA Demand, 2006	ADE SMA Demand, 2006	ADE PMA/SMA Demand, 2006	CBRE PMA Retail Sales, 2006	CBRE SMA Retail Sales, 2006	CBRE Total Retail Sales, 2006	Sales Attraction PMA/SMA	Total Sales Leakage PMA/SMA
	$562,368,368	$543,610,268	$1,105,978,636	$638,214,389	$585,461,751	$1,223,676,140	$343,879,824	$226,182,319
Apparel Stores	$24,703,918	$23,091,135	$47,795,053	$15,887,000	$3,403,427	$19,290,427	$0	$28,504,626
General Merchandise Stores	$93,292,932	$92,084,542	$185,377,474	$29,507,722	$36,016,478	$65,524,200	$0	$119,853,274
Food Stores	$100,969,238	$101,375,988	$202,345,226	$157,366,667	$144,362,219	$301,728,886	$99,383,660	$0
Eating and drinking places	$62,095,775	$58,826,237	$120,922,011	$58,655,000	$64,847,081	$123,502,081	$2,580,070	$0
Home furnishings and appliances	$24,022,629	$23,192,909	$47,215,538	$74,269,000	$13,956,810	$88,225,810	$41,010,272	$0
Bldg. materials and farm implements	$27,427,117	$27,154,080	$54,581,198	$49,272,000	$56,359,224	$105,631,224	$51,050,026	$0
Auto dealers and auto supplies	$121,144,375	$112,112,941	$233,257,316	$60,020,000	$95,412,897	$155,432,897	$0	$77,824,419
Service stations	$63,817,931	$61,623,555	$125,441,486	$68,527,000	$87,384,715	$155,911,715	$30,470,229	$0
Other retail stores	$44,894,454	$44,148,880	$89,043,334	$124,710,000	$83,718,900	$208,428,900	$119,385,566	$0
	CBRE PMA Demand, 2006	**CBRE SMA Demand, 2006**	**CBRE PMA/SMA Demand, 2006**	**CBRE PMA Retail Sales, 2006**	**CBRE SMA Retail Sales, 2006**	**CBRE Total Retail Sales, 2006**	**Sales Attraction PMA/SMA**	**Total Sales Leakage PMA/SMA**
	$972,310,919	$1,029,917,929	$2,002,228,848	$638,214,389	$585,461,751	$1,223,676,140	$11,446,333	$789,999,041
Apparel Stores	$32,272,061	$34,174,132	$66,446,193	$15,887,000	$3,403,427	$19,290,427	$0	$47,155,766
General Merchandise Stores	$136,667,988	$144,685,851	$281,353,839	$29,507,722	$36,016,478	$65,524,200	$0	$215,829,639
Food Stores	$166,106,542	$176,432,906	$342,539,448	$157,366,667	$144,362,219	$301,728,886	$0	$40,810,562
Eating and drinking places	$95,259,785	$100,795,432	$196,055,217	$58,655,000	$64,847,081	$123,502,081	$0	$72,553,136
Home furnishings and appliances	$37,290,007	$39,489,470	$76,779,477	$74,269,000	$13,956,810	$88,225,810	$11,446,333	$0
Bldg. materials and farm implements	$101,151,087	$106,951,045	$208,102,132	$49,272,000	$56,359,224	$105,631,224	$0	$102,470,908
Auto dealers and auto supplies	$174,751,855	$184,870,834	$359,622,689	$60,020,000	$95,412,897	$155,432,897	$0	$204,189,792
Service stations	$88,774,503	$94,005,599	$182,780,102	$68,527,000	$87,384,715	$155,911,715	$0	$26,868,387
Other retail stores	$140,037,091	$148,512,660	$288,549,751	$124,710,000	$83,718,900	$208,428,900	$0	$80,120,851

Source: ADE, Inc., based on ADE Table CBRE Exhibits 11 and 13 (CBRE spending and retail sales)

TABLE 9
EXISTING CONDITIONS: RETAIL SALES LEAKAGE 2006 ($2013): COMPARISON OF ADE AND CBRE FINDINGS

	ADE PMA Demand, 2006 ($2013)	ADE SMA Demand, 2006 ($2013)	ADE PMA/SMA Demand, 2006 ($2013)	CBRE PMA Retail Sales, 2006 ($2013)	CBRE SMA Retail Sales, 2006 ($2013)	CBRE Total Retail Sales, 2006 ($2013)	Sales Attraction PMA/SMA ($2013)	Total Sales Leakage PMA/SMA ($2013)
	$693,522,351	$670,389,539	$1,363,911,890	$787,056,969	$722,001,508	$1,509,058,478	$424,078,517	$278,931,929
Apparel Stores	$30,465,297	$28,476,385	$58,941,682	$19,592,122	$4,197,165	$23,789,287	$0	$35,152,395
General Merchandise Stores	$115,050,449	$113,560,243	$228,610,692	$36,389,431	$44,416,141	$80,805,571	$0	$147,805,121
Food Stores	$124,517,002	$125,018,614	$249,535,616	$194,067,282	$178,029,973	$372,097,256	$122,561,640	$0
Eating and drinking places	$76,577,578	$72,545,528	$149,123,106	$72,334,356	$79,970,536	$152,304,892	$3,181,786	$0
Home furnishings and appliances	$29,625,120	$28,601,894	$58,227,014	$91,589,809	$17,211,778	$108,801,587	$50,574,573	$0
Bldg. materials and farm implements	$33,823,593	$33,486,879	$67,310,472	$60,763,078	$69,503,165	$130,266,244	$62,955,771	$0
Auto dealers and auto supplies	$149,397,329	$138,259,609	$287,656,937	$74,017,697	$117,664,827	$191,682,524	$0	$95,974,414
Service stations	$78,701,371	$75,995,228	$154,696,599	$84,508,676	$107,764,335	$192,273,010	$37,576,411	$0
Other retail stores	$55,364,613	$54,445,159	$109,809,772	$153,794,519	$103,243,588	$257,038,107	$147,228,335	$0
	CBRE PMA Demand, 2006 ($2013)	**CBRE SMA Demand, 2006 ($2013)**	**CBRE PMA/SMA Demand, 2006 ($2013)**	**CBRE PMA Retail Sales, 2006 ($2013)**	**CBRE SMA Retail Sales, 2006 ($2013)**	**CBRE Total Retail Sales, 2006 ($2013)**	**Sales Attraction PMA/SMA ($2013)**	**Total Sales Leakage PMA/SMA ($2013)**
	$1,199,070,561	$1,270,112,517	$2,469,183,078	$787,056,969	$722,001,508	$1,509,058,478	$14,115,815	$974,240,415
Apparel Stores	$39,798,461	$42,144,128	$81,942,589	$19,592,122	$4,197,165	$23,789,287	$0	$58,153,302
General Merchandise Stores	$168,541,315	$178,429,082	$346,970,397	$36,389,431	$44,416,141	$80,805,571	$0	$266,164,826
Food Stores	$204,845,447	$217,580,096	$422,425,543	$194,067,282	$178,029,973	$372,097,256	$0	$50,328,287
Eating and drinking places	$117,476,006	$124,302,662	$241,778,668	$72,334,356	$79,970,536	$152,304,892	$0	$89,473,776
Home furnishings and appliances	$45,986,678	$48,699,094	$94,685,773	$91,589,809	$17,211,778	$108,801,587	$14,115,815	$0
Bldg. materials and farm implements	$124,741,262	$131,893,870	$256,635,131	$60,763,078	$69,503,165	$130,266,244	$0	$126,368,887
Auto dealers and auto supplies	$215,506,995	$227,985,894	$443,492,890	$74,017,697	$117,664,827	$191,682,524	$0	$251,810,366
Service stations	$109,478,245	$115,929,323	$225,407,568	$84,508,676	$107,764,335	$192,273,010	$0	$33,134,557
Other retail stores	$172,696,151	$183,148,369	$355,844,519	$153,794,519	$103,243,588	$257,038,107	$0	$98,806,412

Source: ADE, Inc., based on ADE Table CBRE Exhibits 11 and 13 (CBRE spending and retail sales)

The table below replicates CBRE's gross-level impact model (see CBRE Exhibit 18). For purposes of analysis, we accept for the moment CBRE's findings with respect to leakage. We present this table because there appears to be an error in CBRE's Exhibit 18 on how project sales are mitigated by leakage. Using "apparel stores", we summarize CBRE's gross-level impact model accordingly. Rocklin Commons will generate $39,900,000 in apparel store sales when the project stabilizes by 2013. Of this amount, 95 percent (or $37,900,000) will be sales to the PMA/SMA, with $2,000,000 sold to consumers from elsewhere. Of the $37,900,000, 83 percent will fall on retailers in the PMA alone, or $31,347,938. Because there is leakage in the market, CBRE reports that the $31,347,938 impact will be reduced to $10,447,938. However, in arriving at the $10,447,938 figure, CBRE subtracted leakage from *both* PMA ($10,900,000) and SMA ($10,000,000) when it only should have subtracted the PMA leakage, since what Exhibit 18 is analyzing is impacts to the PMA.[5] For purposes of an "apples-to-apples", "oranges-to-oranges" comparison, CBRE should have subtracted only the PMA leakage from project apparel store sales, to arrive at an apparel store impact of $20,447,938.[6] However, the larger, more important point is that we do not believe there is leakage to begin with in several key retail categories, particularly food store, as indicated in Table 11.

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[5] $10,447,938 CBRE Impact = $31,347,938 PMA project sales + (-$10,900,000 PMA leakage) + (-$10,000,000 SMA leakage)

[6] $20,447,948 ADE Impact = $31,347,938 PMA project sales + (-$10,900,000 PMA leakage)

TABLE 10
IMPACT ANALYSIS: REVIEW OF CBRE GROSS-LEVEL IMPACT METHODOLOGY AND FINDINGS: CBRE DEMAND\LEAKAGE ESTIMATES

	a	b	c	d	e	f	g	h	i	j	k	m
	Rocklin Commons	**Rocklin Commons Sales to PMA/SMA HHs: 95%**	**Rocklin Commons Sales to Outside HHs: 5%**	**PMA Sales By Existing Retailers as Percent of PMA/SMA Sales**	**CBRE Sales Leakage, 2006 ($2013)**	**PMA Portion of CBRE Absorbed Leakage**	**SMA Portion of CBRE Absorbed Leakage**	**Distribution of Rocklin Commons Sales on PMA (bxd)**	**Distribution of Rocklin Commons Sales on SMA**	**Rocklin Commons Impact on PMA (if h>f, then h-f, otherwise 0): ADE variation on CBRE methodology**	**Rocklin Commons Impact on SMA (if i>g, then i-g, otherwise 0): ADE variation on CBRE methodology**	***CBRE Impact Findings (if h-f-g>0, then h-f-g, otherwise 0) (incorrect?)***
	$151,100,000	$143,500,000	$7,600,000	53%	$974,240,415	$246,600,000	$144,100,000	$93,133,072	$50,366,928	$52,134,424	$6,272,280	*21,307,864*
Apparel Stores	$39,900,000	$37,900,000	$2,000,000	83%	$58,153,302	$10,900,000	$10,000,000	$31,347,938	$6,552,062	$20,447,938	$0	*10,447,938*
General Merchandise Stores	$16,300,000	$15,500,000	$800,000	46%	$266,164,826	$71,200,000	$35,300,000	$7,074,853	$8,425,147	$0	$0	*0*
Food Stores	$37,200,000	$35,300,000	$1,900,000	53%	$50,328,287	$5,800,000	$10,400,000	$18,627,720	$16,672,280	$12,827,720	$6,272,280	*2,427,720*
Eating and drinking places	$15,400,000	$14,600,000	$800,000	48%	$89,473,776	$24,300,000	$11,600,000	$7,023,795	$7,576,205	$0	$0	*0*
Home furnishings and appliances	$20,800,000	$19,800,000	$1,000,000	85%	$0	$0	$8,300,000	$16,732,205	$3,067,795	$16,732,205	$0	*8,432,205*
Bldg. materials and farm implements				47%	$126,368,887	$34,500,000	$16,400,000		$0	$0	$0	*0*
Auto dealers and auto supplies				39%	$251,810,366	$76,200,000	$29,000,000		$0	$0	$0	*0*
Service stations				45%	$33,134,557	$13,500,000	$2,100,000		$0	$0	$0	*0*
Other retail stores	$21,500,000	$20,400,000	$1,100,000	60%	$98,806,412	$10,200,000	$21,000,000	$12,326,560	$8,073,440	$2,126,560	$0	*0*

Source: ADE, Inc., based on CBRE Exhibit 18

Table 11 is similar to the table above except we insert our leakage findings into the appropriate store categories. In the table below, we treat food store impact accordingly: as indicated by CBRE, the project will generate $37,200,000 in food store sales, of which $35,300,000 will go to the PMA ($18,627,720) and SMA ($16,672,280). Our analysis shows no leakage in this category. Thus, Rocklin Commons will be impact PMA food stores by $18,627,720 and SMA food stores by $16,672,280. If impacts fall in accordance to PMA's share of PMA/SMA, then impacts to Raley's in Loomis will amount to a 9.5 percent reduction in sales (2013 dollars). As indicated in Table 10, food stores in the PMA generate $194,067,282 in sales (2013 dollars). Raley's generates on average $24,000,000, which, when translated to 2013 dollars, equals $29,597,213. Thus, Raley's represents 15.25 percent of the PMA. Fifteen percent of $18,627,720 (ADE PMA food store impact) equals $2,840,915, which represents the impact on Loomis' Raley's. Thus, Raley's could lose 9.5 percent of annual sales, from $29,597,213 to $26,756,298.

It is important to note that impacts to Raley's *could be higher* than the estimated 9.5 percent reduction in sales, since the $2,840,915 impact is based on a methodology that does not take into account factors such as distance between PMA shoppers and the different food stores they can choose from within the PMA, along with other attributes that make one center more attractive than another. In other words, if Raley's is tapping into PMA customers residing southeast and southwest of its location, Rocklin Commons could cut into Raley's market share since it is located over a mile south of Raley's and conveniently at a key Highway 80 intersection. In short, the proposed food store is well-positioned to intercept shoppers who otherwise might have gone to Loomis' Raley's. PMA shoppers north of Raley's might also be more apt to shop at Rocklin Commons given the agglomeration of retail activities there, further suggesting that the 9.5 percent impact should be considered a minimum.

In addition, officials must consider the minimum 9.5 percent impact as *on top of any decline in sales* stemming from the prolonged downturn in the economy that is expected to continue well into 2010. As a reminder of difficulties experienced by food stores in the region, there are two large vacancies in the nearby area that were once occupied by grocery stores, namely Albertson's and Grocery Outlet.. The former site has been vacant for several years.

TABLE 11
IMPACT ANALYSIS: REVIEW OF CBRE GROSS-LEVEL IMPACT METHODOLOGY AND FINDINGS: ADE DEMAND\LEAKAGE ESTIMATES

	a	b	c	d	e	f	g	h	i	j	k
	Rocklin Commons	Rocklin Commons Sales to PMA/SMA HHs: 95%	Rocklin Commons Sales to Outside HHs: 5%	PMA as Percent of PMA/SMA	ADE Sales Leakage, 2006 ($2013)	PMA Portion of ADE Absorbed Leakage (based on CBRE 50%)	SMA Portion of ADE Absorbed Leakage (based on CBRE 25%)	Distribution of Rocklin Commons Sales on PMA (bxd)	Distribution of Rocklin Commons Sales on SMA	Rocklin Commons Impact on PMA (if h>f, then h-f, otherwise 0): ADE variation on CBRE methodology	Rocklin Commons Impact on SMA (if i>g, then i-g, otherwise 0): ADE variation on CBRE methodology
	$151,100,000	$143,500,000	$7,600,000	53%	$278,931,929	$84,578,524	$31,352,055	$93,133,072	$50,366,928	$78,500,020	$33,024,447
Apparel Stores	$39,900,000	$37,900,000	$2,000,000	83%	$35,152,395	$5,436,587	$6,069,805	$31,347,938	$6,552,062	$25,911,351	$482,257
General Merchandise Stores	$16,300,000	$15,500,000	$800,000	46%	$147,805,121	$39,330,509	$17,286,026	$7,074,853	$8,425,147	$0	$0
Food Stores	$37,200,000	$35,300,000	$1,900,000	53%	$0	$0	$0	$18,627,720	$16,672,280	$18,627,720	$16,672,280
Eating and drinking places	$15,400,000	$14,600,000	$800,000	48%	$0	$2,121,611	$0	$7,023,795	$7,576,205	$4,902,184	$7,576,205
Home furnishings and appliances	$20,800,000	$19,800,000	$1,000,000	85%	$0	$0	$2,847,529	$16,732,205	$3,067,795	$16,732,205	$220,266
Bldg. materials and farm implements				47%	$0	$0	$0		$0	$0	$0
Auto dealers and auto supplies				39%	$95,974,414	$37,689,816	$5,148,696		$0	$0	$0
Service stations				45%	$0	$0	$0		$0	$0	$0
Other retail stores	$21,500,000	$20,400,000	$1,100,000	60%	$0	$0	$0	$12,326,560	$8,073,440	$12,326,560	$8,073,440

Source: ADE, Inc., based on CBRE Exhibit 18 and ADE demand/leakage analysis

CONCLUSION

The economy is down, with strong prospects that this period of uncertainty will prevail for some time. Raley's might not be able to recover from a potential loss of *at a minimum* $2,840,915 (year 2013 dollars), as supermarkets are low-margin operations to begin with. In addition to job losses, the Town of Loomis would lose an estimated $133,000 a year ($2013) in sales taxes in the event Raley's closed. In any event, local officials should keep a watchful eye on the situation, as the closure of a supermarket such as Raley's could lead to situation of urban decay. It is important to note that Raley's anchors the Loomis Town Center and, as such, this store drives traffic to this shopping center. If Raley's closes, the remaining stores could be at risk of closure as well, since they depend on Raley's for foot traffic. As a reminder of difficulties experienced by food stores in the region, there are two large vacancies in the nearby area that were once occupied by grocery stores, namely Albertson's and Grocery Outlet.. The former site has been vacant for several years, suggesting some level of difficulty with respect to re-tenanting a shuttered Raley's site with another traffic-generating use.

Given the potential impacts to Loomis' Raley's, local officials should request CBRE and City of Rocklin officials to further scrutinize CBRE's demand and associated leakage estimates. Particularly with respect to food stores, ADE's assessment is that CBRE overstates PMA/SMA spending, thus overstating leakage in this store type, and thus understating impacts. ADE's BLS-based food store spending (which is refined along a number of demographic variables) is lower than what CBRE calculated, and, as important, our findings are consistent with US BLS *off-the-shelf* spending data available from the Internet. If CBRE is to continue with the per capita approach, it should use a per capita spending ratio that corresponds to income brackets of either the US Census, US Census American Communities Survey, or private vendors such as Claritas. It should not use a spend ratio that's appropriate only for households earning $98,000 against *all* persons *across all income* brackets for reasons stated in the analysis, because not everyone spends in a fashion similar to people and households earning approximately $100,000. The across-the-board use of spend average appropriate only for persons/households earning around $100,000 explains why CBRE's leakage is almost three times greater than ADE's, at $974.2 million versus $278.9 million (see Table 9).

CBRE also needs to indicate how impacts stemming from the project will fall on home furnishing and appliance stores in the PMA. CBRE identifies potential impacts of $8.5 million via its methodology (see Table 10) on home furnishings and appliance stores but it does not specify within the market area as to how these impacts will be distributed, as required.

Table 12 below tracks aggregate spending by households in the year 2013 (in 2013 dollars). Per ADE's leakage analysis, there still is not enough future leakage in key categories such as food stores to ameliorate impacts stemming from the Rocklin Commons project.

TABLE 12
FUTURE PROJECTION: RETAIL SALES LEAKAGE 2013 ($2013): COMPARISON OF ADE AND CBRE FINDINGS

	ADE PMA Demand, 2013 ($2013)	ADE SMA Demand, 2013 ($2013)	ADE PMA/SMA Demand, 2013 ($2013)	CBRE PMA Retail Sales, 2013 ($2013)	CBRE SMA Retail Sales, 2013 ($2013)	CBRE Total Retail Sales, 2013 ($2013)	Sales Attraction PMA/SMA ($2013)	Total Sales Leakage PMA/SMA ($2013)
	$751,498,512	$719,271,666	$1,470,770,178	$847,920,766	$758,895,910	$1,606,816,676	$444,144,593	$308,098,095
Apparel Stores	$32,731,350	$30,595,008	$63,326,358	$21,107,222	$4,411,640	$25,518,862	$0	$37,807,496
General Merchandise Stores	$125,608,917	$121,928,483	$247,537,400	$39,203,504	$46,685,813	$85,889,317	$0	$161,648,083
Food Stores	$135,563,906	$133,577,996	$269,141,903	$209,074,919	$187,127,335	$396,202,254	$127,060,351	$0
Eating and drinking places	$81,703,103	$77,364,937	$159,068,040	$77,928,126	$84,057,045	$161,985,171	$2,917,131	$0
Home furnishings and appliances	$32,490,104	$30,869,834	$63,359,938	$98,672,645	$18,091,303	$116,763,948	$53,404,010	$0
Bldg. materials and farm implements	$36,948,513	$35,968,804	$72,917,317	$65,462,017	$73,054,789	$138,516,806	$65,599,489	$0
Auto dealers and auto supplies	$162,132,721	$149,928,959	$312,061,680	$79,741,644	$123,677,520	$203,419,164	$0	$108,642,516
Service stations	$84,466,916	$80,914,769	$165,381,685	$91,042,912	$113,271,111	$204,314,023	$38,932,338	$0
Other retail stores	$59,852,980	$58,122,877	$117,975,857	$165,687,777	$108,519,354	$274,207,131	$156,231,274	$0
	CBRE PMA Demand, 2013 ($2013)	**CBRE SMA Demand, 2013 ($2013)**	**CBRE PMA/SMA Demand, 2013 ($2013)**	**CBRE PMA Retail Sales, 2013 ($2013)**	**CBRE SMA Retail Sales, 2013 ($2013)**	**CBRE Total Retail Sales, 2013 ($2013)**	**Sales Attraction PMA/SMA ($2013)**	**Total Sales Leakage PMA/SMA ($2013)**
	$1,291,795,920	$1,335,015,485	$2,626,811,405	$847,920,766	$758,895,910	$1,606,816,676	$16,033,396	$1,036,028,125
Apparel Stores	$42,874,832	$44,297,700	$87,172,532	$21,107,222	$4,411,640	$25,518,862	$0	$61,653,670
General Merchandise Stores	$181,574,975	$187,546,839	$369,121,814	$39,203,504	$46,685,813	$85,889,317	$0	$283,232,497
Food Stores	$220,686,583	$228,698,476	$449,385,059	$209,074,919	$187,127,335	$396,202,254	$0	$53,182,805
Eating and drinking places	$126,560,677	$130,654,549	$257,215,226	$77,928,126	$84,057,045	$161,985,171	$0	$95,230,055
Home furnishings and appliances	$49,542,926	$51,187,626	$100,730,552	$98,672,645	$18,091,303	$116,763,948	$16,033,396	$0
Bldg. materials and farm implements	$134,387,770	$138,633,669	$273,021,439	$65,462,017	$73,054,789	$138,516,806	$0	$134,504,633
Auto dealers and auto supplies	$232,172,612	$239,636,013	$471,808,625	$79,741,644	$123,677,520	$203,419,164	$0	$268,389,461
Service stations	$117,944,432	$121,853,331	$239,797,763	$91,042,912	$113,271,111	$204,314,023	$0	$35,483,740
Other retail stores	$186,051,113	$192,507,282	$378,558,395	$165,687,777	$108,519,354	$274,207,131	$0	$104,351,264

Source: ADE, Inc., based on ADE demand analysis and CBRE Exhibits 12 and 14 (CBRE spending and retail sales)

TABLE 13
2013 IMPACT ANALYSIS: REVIEW OF CBRE GROSS-LEVEL IMPACT METHODOLOGY AND FINDINGS: CBRE DEMAND\LEAKAGE ESTIMATES

	a	b	c	d	e	f	g	h	i	j	k	m
	Rocklin Commons	Rocklin Commons Sales to PMA/SMA HHs: 95%	Rocklin Commons Sales to Outside HHs: 5%	PMA Sales By Existing Retailers as Percent of PMA/SMA Sales	CBRE Sales Leakage, 2013 ($2013)	PMA Portion of CBRE Absorbed Leakage	SMA Portion of CBRE Absorbed Leakage	Distribution of Rocklin Commons Sales on PMA (bxd)	Distribution of Rocklin Commons Sales on SMA	Rocklin Commons Impact on PMA (if h>f, then h-f, otherwise 0): ADE variation on CBRE methodology	Rocklin Commons Impact on SMA (if i>g, then i-g, otherwise 0): ADE variation on CBRE methodology	CBRE Impact Findings (if h-f-g>0, then h-f-g, otherwise 0)
	$151,100,000	$143,500,000	$7,600,000	53%	$1,036,028,125	$246,502,437	$144,029,894	$93,133,072	$50,366,928	$52,134,424	$6,272,280	*21,379,846*
Apparel Stores	$39,900,000	$37,900,000	$2,000,000	83%	$61,653,670	$10,883,805	$9,971,515	$31,347,938	$6,552,062	$20,464,133	$0	*10,492,618*
General Merchandise Stores	$16,300,000	$15,500,000	$800,000	46%	$283,232,497	$71,185,736	$35,215,257	$7,074,853	$8,425,147	$0	$0	*0*
Food Stores	$37,200,000	$35,300,000	$1,900,000	53%	$53,182,805	$5,805,832	$10,392,785	$18,627,720	$16,672,280	$12,821,888	$6,272,280	*2,429,103*
Eating and drinking places	$15,400,000	$14,600,000	$800,000	48%	$95,230,055	$24,316,276	$11,649,376	$7,023,795	$7,576,205	$0	$0	*0*
Home furnishings and appliances	$20,800,000	$19,800,000	$1,000,000	85%	$0	$0	$8,274,081	$16,732,205	$3,067,795	$16,732,205	$0	*8,458,125*
Bldg. materials and farm implements				47%	$134,504,633	$34,462,877	$16,394,720		$0	$0	$0	*0*
Auto dealers and auto supplies				39%	$268,389,461	$76,215,484	$28,989,623		$0	$0	$0	*0*
Service stations				45%	$35,483,740	$13,450,760	$2,145,555		$0	$0	$0	*0*
Other retail stores	$21,500,000	$20,400,000	$1,100,000	60%	$104,351,264	$10,181,668	$20,996,982	$12,326,560	$8,073,440	$2,126,560	$0	*0*

Source: ADE, Inc., based on ADE Table 11 and Table 13

TABLE 14
2013 IMPACT ANALYSIS: REVIEW OF CBRE GROSS-LEVEL IMPACT METHODOLOGY AND FINDINGS: ADE DEMAND\LEAKAGE ESTIMATES

	a	b	c	d	e	f	g	h	i	j	k
	Rocklin Commons	Rocklin Commons Sales to PMA/SMA HHs: 95%	Rocklin Commons Sales to Outside HHs: 5%	PMA Sales By Existing Retailers as Percent of PMA/SMA Sales	ADE Sales Leakage, 2013 ($2013)	PMA Portion of ADE Absorbed Leakage (based on CBRE 50%)	SMA Portion of ADE Absorbed Leakage (based on CBRE 25%)	Distribution of Rocklin Commons Sales on PMA (bxd)	Distribution of Rocklin Commons Sales on SMA	Rocklin Commons Impact on PMA (if h>f, then h-f, otherwise 0): ADE variation on CBRE methodology	Rocklin Commons Impact on SMA (if i>g, then i-g, otherwise 0): ADE variation on CBRE methodology
	$151,100,000	$143,500,000	$7,600,000	53%	$308,098,095	$92,097,798	$35,114,002	$93,133,072	$50,366,928	$78,358,666	$32,328,145
Apparel Stores	$39,900,000	$37,900,000	$2,000,000	83%	$37,807,496	$5,812,064	$6,545,842	$31,347,938	$6,552,062	$25,535,874	$6,220
General Merchandise Stores	$16,300,000	$15,500,000	$800,000	46%	$161,648,083	$43,202,706	$18,810,667	$7,074,853	$8,425,147	$0	$0
Food Stores	$37,200,000	$35,300,000	$1,900,000	53%	$0	$0	$0	$18,627,720	$16,672,280	$18,627,720	$16,672,280
Eating and drinking places	$15,400,000	$14,600,000	$800,000	48%	$0	$1,887,488	$0	$7,023,795	$7,576,205	$5,136,307	$7,576,205
Home furnishings and appliances	$20,800,000	$19,800,000	$1,000,000	85%	$0	$0	$3,194,633	$16,732,205	$3,067,795	$16,732,205	$0
Bldg. materials and farm implements				47%	$0	$0	$0		$0	$0	$0
Auto dealers and auto supplies				39%	$108,642,516	$41,195,539	$6,562,860		$0	$0	$0
Service stations				45%	$0	$0	$0		$0	$0	$0
Other retail stores	$21,500,000	$20,400,000	$1,100,000	60%	$0	$0	$0	$12,326,560	$8,073,440	$12,326,560	$8,073,440

Source: ADE, Inc., based on ADE Table 12 and Table 13

APPENDIX A

TABLE A-1
AVERAGE HOUSEHOLD INCOME TRENDS: PLACER COUNTY, CITY OF ROSEVILLE, AND PRIMARY MARKET AREA (LOOMIS/ROCKLIN): 2000-2006

	Placer County	City of Roseville	Placer County excluding Roseville	Loomis-Rocklin Primary Market Area
Annual Percent Change	0.10%	0.43%	0.41%	1.78%
Year 2006 ($2006)	$89,295	$86,473	$90,813	*$98,490*
Year 2000 ($2006)	$88,738	$84,259	$88,612	$88,586
Year 2000 ($1999)	$73,332	$69,631	$73,228	$75,667

Source: ADE, Inc., based on US Census 2000 SF3 P52 and P54, US BLS CPI-All Urban Consumers, US Census ACS 2006 B19001 and B19025, and CBRE (PMA 2006 average household income)